

THE 2009-2010 STATE BUDGET

DRAFT FLOOR REPORT

Agenda Item 5.0

Handout #3

July 23, 2009

How the package's \$24 billion of solutions are constructed:

- ◆ \$15.3 billion in program reductions and cuts. These solutions are detailed by policy area and reflect the targeted cuts to achieve efficiency and provide leaner levels of services in order to preserve California's public infrastructure.
- ◆ \$4 billion in revenue accelerations and fees, including the Governor's proposals to accelerate Personal Income Tax withholdings and Corporate Estimated Payments. Also includes the Governor's proposal to sell a portion of the State Compensation Insurance Fund's book of business.
- ◆ \$1.5 billion in fund shifts, including the shift of the Highway User Tax Account (HUTA), and \$100 million in savings from offshore drilling.
- ◆ \$2.1 billion in borrowing, mostly from local governments due to the suspension of Proposition 1A.
- ◆ \$1.2 billion of other one-time savings by deferring the June 30th State employee paycheck to July 1st.

The chart below compares the Governor's May Revision proposal and the Conference Committee actions with the Final Budget Package:

Summary of Solutions by Area (in billions)

Area	Governor's May Revision	Conference Version	Final Version
Education	\$5.2	\$4.5	\$5.7
Higher Education	3.1	2.7	2.8
Human Services	3.3	0.9	1.2
Health	2.4	2.0	2.0
Transportation	1.6	2.1	2.0
Resources	0.4	0.5	0.5
Public Safety	1.4	1.0	1.1
General/Local Government	3.1	3.5	5.2
Taxes	0.0	1.9	0.0
Accelerations/SCIF/Other Revenues	3.4	4.5	3.5
Total	\$23.9	\$23.6	\$24.0
Reserve (w/ updated revenues)	0.8	0.3	0.9